

Members

Rep. Ralph Ayres, Chairperson
Rep. Don Lehe
Rep. Mary Kay Budak
Rep. John Aguilera
Rep. Charlie Brown
Rep. Duane Cheney
Sen. Sue Landske, Vice-Chairperson
Sen. Marvin Riegsecker
Sen. Joseph Zakas
Sen. Rose Antich-Carr
Sen. Frank Mrvan
Sen. Earline Rogers
Mayor Daniel M. Klein



NORTHWEST INDIANA TRANSPORTATION STUDY COMMISSION

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MEETING MINUTES¹

Meeting Date: October 5, 2005
Meeting Time: 1:00 P.M.
Meeting Place: Northwestern Indiana Regional
Planning Council, Auditorium
6100 Southport Road
Meeting City: Portage, Indiana
Meeting Number: 3

Members Present: Rep. Ralph Ayres, Chairperson; Rep. Mary Kay Budak; Rep. John Aguilera; Rep. Charlie Brown; Rep. Duane Cheney; Sen. Marvin Riegsecker; Sen. Joseph Zakas; Sen. Rose Antich-Carr; Sen. Frank Mrvan; Sen. Earline Rogers.

Members Absent: Rep. Don Lehe; Sen. Sue Landske, Vice-Chairperson; Mayor Daniel M. Klein.

COMMENCEMENT OF THE MEETING

Rep. Ralph Ayres, Chair of the Commission, called the meeting to order at 1:10 p.m. He announced that the fourth and final meeting of the Commission would also be held at the Northwestern Indiana Regional Planning Council facility on Tuesday October 25, 2005 at 1:00 p.m.

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

INDIANA DEPARTMENT OF TRANSPORTATION

Rep. Ayres first called for **Commissioner Thomas Sharp**, Indiana Department of Transportation (INDOT), to brief the Commission on INDOT's plans and activities. Commissioner Sharp's talking points accompany these minutes as Attachment 1.

Comm. Sharp stressed the importance of thinking about transportation in a comprehensive way. This means thinking about the entire State and the way it supports the transportation patterns of the region and the nation. Moreover, the transportation budgets in Indiana have typically had two-year time horizons, corresponding to the State's two year budget cycle. However, Comm. Sharp explained, most transportation projects have a ten to fifteen year life cycle, which means that our transportation planning is potentially subject to serious changes in funding priorities numerous times throughout the life cycle of these projects.

Comm. Sharp said that because of Indiana's geographic location, Indiana is naturally positioned as a logistics and distribution State.

Comm. Sharp then talked about the Governor's *Major Moves* transportation plan, announced on September 26, 2005. The plan features six major projects throughout Indiana:

- Toll Road modernization;
- Fort to Port, connecting Fort Wayne with states east of Indiana;
- US 31 improvements;
- Hoosier Heartland Corridor, linking Fort Wayne and Lafayette;
- Ohio River bridges; and
- I-69 expansion from Indianapolis to Evansville.

Comm. Sharp also discussed funding for the *Major Moves* transportation plan. Comm. Sharp began by noting that INDOT staff had looked at transportation funding throughout the United States as part of their preliminary preparation for thinking about funding the plan. He indicated that this survey yielded 31 ideas that might be applied advantageously in Indiana. One of these ideas regards the increased use of tolling on the highway system where possible. Comm. Sharp also emphasized the need to modernize toll schedules on the Toll Road. Another key idea, he explained, is to develop public-private partnerships where that can be accomplished in order to minimize the amount of money that the State must put into its projects. Alluding to the lease of the Chicago Skyway, Comm. Sharp concluded by saying the State must begin thinking seriously about the possibility of a long term lease of the Toll Road to a private contractor. To that end, he said, he will be asking the General Assembly in the upcoming legislative session for the right to assess the value of the Toll Road.

Following his presentation, Comm. Sharp responded to numerous questions from Commission members. Most of the Commission's questions were about some aspect of the Toll Road operations and finances.

Rep. Charlie Brown expressed concern about the composition of the road project labor force working on the Borman Expressway and the Toll Road. His observations led him question whether the percentage of African American workers on those projects reflects the overall population of Lake County. Comm. Sharp said that he believed that the percentage was 12%. In addition, projects that use federal funding must observe federal requirements.

Rep. Brown also raised the issue of whether the IPASS system would be put in place on the Toll Road. Comm. Sharp indicated that he would like to get that done by January 1, 2007. He said that INDOT is beginning the process of contracting for the installation of the necessary technology.

Another thing to work through is how to handle violators of the system, that is to say, when a person does not have an account or the balance in the account is insufficient to pay the toll. Comm. Sharp also expressed his determination to consolidate the toll barriers at the Indiana-Illinois line and the Indiana-Ohio line. There has to be a way, he said, to use just one toll barrier at each state line rather than two, that is, one for each state at each boundary.

Comm. Sharp also explained in more detail how a lease of the Toll Road might work. But his primary point was that the details concerning the division of responsibilities between the State and the lessee would be the subject of negotiations. A concessionaire, he said, is willing to pay the present value of the estimated revenue stream on a particular project for the duration of the lease. And, he added, these types of concessionaires are very aggressive in their modeling, spending in the range of \$1 to 2 million on their bids alone.

Another topic of conversation was the funding in the *Major Moves* transportation plan. **Rep. Duane Cheney** questioned whether increased tolls on the Toll Road would be used to fund highway projects in Toll Road counties, thus relieving the State of the necessity of allocating revenues to Toll Road counties for state highway projects. Comm. Sharp clarified that under the plan projected transportation appropriations would only be able to fund 50% of state highway projects in all Indiana counties, including Toll Road counties. The plan, however, calls for the use of \$344 million from increased tolls to fund the remaining 50% of state highway projects in Toll Road Counties. Thus, 100% of state highway projects in Toll Road counties will be funded, while counties elsewhere in Indiana still, as of today under the plan, have only 50% of their projects funded.

INDIANA TOLL ROAD DISTRICT

Rep. Ayres then recognized Mike McPhillips, Director of the Indiana Department of Transportation Toll Road District, for the purpose of making a presentation on the projects and plans of the District. A paper version of Mr. McPhillips' electronic slide presentation accompanies these minutes and is designated Attachment 2.

CONCLUSION OF THE MEETING

Rep. Ayres declared the meeting adjourned at 3:35 p.m.